

KG Holdings, LLC  
Pauahi Tower, Suite 1570  
1001 Bishop Street  
Honolulu, Hawaii 96813  
January 24, 2002

Sports Shinko (Hawaii) Co., Ltd.  
Sports Shinko (Waikiki) Corporation  
Sports Shinko (Mililani) Co., Ltd.  
Sports Shinko (Kauai) Co., Ltd.  
Sports Shinko (Pukalani) Co., Ltd.  
Pukalani STP Co., Ltd.  
Sure Transportation, Inc.  
175 Paoakalani Street, Suite 300  
Honolulu, Hawaii 96815

Re: Purchase and Sale Agreement dated January 15, 2002

Gentlemen:

Reference is made to that certain Purchase and Sale Agreement dated January 15, 2002 ("Purchase Agreement"), by and between Sports Shinko (Hawaii) Co., Ltd., Sports Shinko (Waikiki) Corporation, Sports Shinko (Mililani) Co., Ltd., Sports Shinko (Kauai) Co., Ltd., Sports Shinko (Pukalani) Co., Ltd., Pukalani STP Co., Ltd., and Sure Transportation, Inc., as "Seller," and KG Holdings, Inc., as "Buyer."

Pursuant to the Purchase Agreement, Buyer hereby notifies Seller of the following:

1. Purchase Price. The Purchase Price shall be allocated as shown on Attachment 1 hereto.
2. Notes. The Notes shall be in the amounts shown on Attachment 2 hereto. Bank of Hawaii will require that the Notes be subordinated to the existing Bank of Hawaii Mortgage Loan to be assumed by Buyer in the same manner that Bank of Hawaii currently requires Seller's intercompany obligations be subordinated to the existing Bank of Hawaii Mortgage Loan.
3. Buyer's Designees. The designees to acquire title to the Property, and the Property to be acquired by each such designee, are set forth on Attachment 3 hereto.
4. Sure Transportation. The purchase of the stock or assets of Sure Transportation, Inc. will be deferred pending approval of the sale of the stock or assets by the Hawaii Public Utilities Commission. For purposes of the sale of such stock or assets, the references in the Purchase Agreement shall refer to the date when the sale of such stock or assets is consummated.

232 0144

**EXHIBIT 16**

Sports Shinko (Hawaii) Co., Ltd., et al.  
January 24, 2002  
Page 2

5. Bank of Hawaii Assumption. The parties have agreed that Buyer shall pay a portion of the purchase price by way of assumption of the existing Bank of Hawaii mortgage encumbering the golf course properties. Upon such assumption, Buyer shall be deemed to have fully performed its obligation to pay such portion of purchase price in an amount equal to the indebtedness assumed at the Closing. Buyer covenants and agrees to and with Seller that Buyer will, from and after the date of such assumption, assume and perform the duties and obligations of the borrower/mortgagor under the Mortgage Loan, and will also observe and perform all the covenants and conditions contained in the promissory note, mortgage and other documents evidencing, securing or relating to the Mortgage Loan, together with any and all documents executed by Buyer in connection with the assumption by Buyer of the Mortgage Loan (collectively, "Bank of Hawaii Loan Documents"), which are to be observed and performed by the borrower/mortgagor/assignee thereunder. Buyer further agrees to protect, indemnify, defend and hold harmless Seller from and against any and all claims, demands, actions, lawsuits, proceedings, damages, judgments, liabilities, losses, costs, and expenses (including, without limitation, reasonable attorney's fees and costs) directly or indirectly arising out of or related to any failure of Assignee to keep, perform or fulfill all the duties, obligations, covenants and conditions required to be kept, performed or fulfilled by the borrower/mortgagor/assignee under the Bank of Hawaii Loan Documents.

6. Closing. The parties agree that Closing of the sale of the Queen Kapiolani Hotel ("QK Hotel") and/or Ocean Resort Hotel ("OR Hotel") may be delayed beyond January 25, 2002, if the consent to the assignment of the leases therefor cannot be obtained on or before said date. In the event that the sale of QK Hotel and/or OR Hotel cannot be closed on January 25, 2002, the sale of the remaining properties shall be closed on January 25, 2002 (subject to the satisfaction of all conditions precedent thereto), and the sale of both QK Hotel and OR Hotel shall close as soon as possible thereafter upon the receipt of the consent to the assignments of leases for both properties. Bank of Hawaii has advised that Seller will not be released from its obligations under the Bank of Hawaii mortgage loan until the sale of all of Kiahuna Golf Club, Pukalani Country Club, Mililani Golf Club, QK Hotel and OR Hotel has closed. The parties hereby authorize and direct Title Guaranty Escrow Services, Inc. to proceed with closing of the sale of the remaining properties, i.e., the golf courses, ancillary lands and related personal property (collectively, "Golf Courses"), on January 25, 2002, upon satisfaction of the other conditions set forth in the Purchase Agreement and payment of the portion of the Purchase Price allocated to such properties in Attachment 1. At the closing of the sale of the Golf Courses, the only proration item shall be real property taxes with respect to said properties. All other prorations relating to the Golf Courses shall handled either at the closing of the QK Hotel and OR Hotel, or outside of escrow pursuant to the agreement of Buyer and Seller.

7. First Hawaiian Equipment Leases. First Hawaiian Leasing, Inc. has advised that it would not be able to grant its consent to the assignment and assumption of certain equipment leases in time for the closing of the sale of the golf course properties. Seller and Buyer agree to

Sports Shinko (Hawaii) Co., Ltd., et al.  
January 24, 2002  
Page 3

cooperate and exercise diligent efforts to obtain such consent after the closing of the sale of the golf course properties.

8. Adjustments for Pre-Closing Violations. Buyer may request post-closing adjustments to the purchase price based upon costs and expenses incurred by Buyer to cure violations of law with respect to the Property existing prior to closing if Seller received notice of such violation from the relevant governmental agency with jurisdiction over such violation prior to closing, including the installation of the gas tank at the Pukalani premises and the curing of the violations relating to the Pukalani sewage treatment plant. Seller shall pay the cost to complete the pending ADA improvement projects at the Queen Kapiolani Hotel and the Ocean Resort Hotel.

If the foregoing is acceptable to you, please confirm your agreement by executing this letter and the enclosed copy in the spaces provided below and returning a signed copy to us. Upon execution by both parties, this letter agreement shall constitute an amendment to the Purchase Agreement. A copy of the signed agreement will be delivered to escrow.

Very truly yours,

KG HOLDINGS, LLC

By Wayne Tanigawa  
Wayne Tanigawa  
Its Manager

ACKNOWLEDGED AND AGREED TO:

SPORTS SHINKO (HAWAII) CO., LTD.

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

Sports Shinko (Hawaii) Co., Ltd., et al.  
January 24, 2002  
Page 4

SPORTS SHINKO (WAIKIKI) CORPORATION

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

SPORTS SHINKO (MILILANT) CO., LTD.

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

SPORTS SHINKO (KAUAI) CO., LTD.

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

SPORTS SHINKO (PUKALANI) CO., LTD.

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

Pukalani STP Co., Ltd.

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

SURE TRANSPORTATION, INC.

By Satoshi Kinoshita  
Satoshi Kinoshita  
Its Executive Vice-President

**ATTACHMENT 1**  
**PURCHASE PRICE ALLOCATION**

Property	Purchase Price	Real Property	Personal Property
Queen Kapiolani Hotel	\$3,500,000	\$3,150,000	\$350,000
Ocean Resort Hotel	\$5,500,000	\$4,950,000	\$550,000
Mililani Golf Club	\$5,500,000	\$5,300,000	\$200,000
Pukalani Country Club	\$4,000,000	\$3,800,000	\$200,000
Pukalani ancillary lands	\$500,000	\$500,000	0
Kiahuna Golf Club	\$2,500,000	\$2,300,000	\$200,000
Kiahuna ancillary lands	\$500,000	\$500,000	0
Pukalani STP Co., Ltd. stock	\$10.00	-	-
Sure Transportation, Inc. stock	\$10.00	-	-

**ATTACHMENT 2**  
**PROMISSORY NOTES**

Mililani Golf Club, LLC	\$500,000
Kiahuna Golf Club, LLC	\$500,000
Pukalani Golf Club, LLC	\$500,000
QK Hotel, LLC	\$3,000,000
OR Hotel, LLC	\$4,500,000
Total	\$9,000,000

**ATTACHMENT 3**  
**BUYER'S DESIGNEES**

Queen Kapiolani Hotel	OK Hotel, LLC
Ocean Resort Hotel	OR Hotel, LLC
Mililani Golf Club	Mililani Golf Club, LLC
Pukalani Country Club	Pukalani Golf Club, LLC
Pukalani ancillary lands	KG Maui Development, LLC
Kiahuna Golf Club	Kiahuna Golf Club, LLC
Kiahuna ancillary lands	KG Kauai Development, LLC
Pukalani STP Co., Ltd. stock	Pukalani Golf Club, LLC
Sure Transportation, Inc. stock	Mililani Golf Club, LLC